stock options that exist. And where we saw this most specifically was in mortgages. Lots of mortgages sold, lots of commissions made, lots of stock options went straight through the roof, but there was a time bomb in those mortgages 4 or 5 years down the road that caused all those mortgages to fail and companies and banks to collapse.

We're not going to allow that anymore. We're not going to allow the taxpayer to be holding the bag the way we've had to hold the bag this last fall. It is a time for reasonable regulation to restore confidence in our financial system. That's what this bill does. The substitute amendment guts that.

I urge a ''no'' vote on the substitute and a ''yes'' vote on say-on-pay.

PARLIAMENTARY INQUIRY

Mr. GARRETT of New Jersey. Parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. GARRETT of New Jersey. Can the Chair indicate how much time is remaining?

The SPEAKER pro tempore. All time for debate on the amendment has expired.

Does a Member seek unanimous consent to extend the debate?

Mr. GARRETT of New Jersey. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. FRANK of Massachusetts. Let me reserve the right to object.

Members want to get out of here. I cannot be responsible for keeping Members here.

Apparently there is an effort—I don't think we ought to keep everybody in the dark about all this. There is apparently an effort to negotiate a unanimous consent agreement involving another bill, so they are asking us to delay this. I am perfectly willing to do this as long as people know it's not our fault. We were ready to get finished. There is a bipartisan leadership request that we wait another 10 minutes. I am perfectly prepared once people understand that, but I do think this kind of whisper-whisper, nobody will know is not a good way to go, so let's be honest about it.

The SPEAKER pro tempore. Without objection, debate will be extended by 5 minutes on each side of the aisle.

Mr. FRANK of Massachusetts. Mr. Speaker, I reserve my time. I have, at most, one further speaker.

Mr. GARRETT of New Jersey. I yield myself such time as I may consume.

I appreciate the gentleman from Massachusetts for working with the respective parties in order to ameliorate any situation that is going on outside of this area. And just as the gentleman says, it's nothing on your side of the aisle in the Chambers today at fault, and I guess we would say the same thing for those who are sitting here right now as well.

I left my last comments with the question of who do you trust and what do we need to do in order to address this situation. I will step back from that for a moment to look to the larger issue here that we are trying to uncover.

I commend the gentleman for the number of hearings that we have had over the last several weeks to try to delve into the various matters that dealt with the fiscal crisis we are currently facing in this country.

□ 1145

One of the takeaways, though, that I have had from those myriad of hearings that we have had is that the underlying concern of the Members of the House on both sides of the aisle is to try to get at the root cause of what was it that actually brought us to the current financial situation that we find in this country today.

We have heard a number of experts from think tanks, from Wall Street, from across the country expound upon where they believe what the underlying cause was. We have heard some who said it was with regard to GSEs, Fannie Mae and Freddie Mac, the fact that there was excessive leverage there allowed this to occur. There was someone who just spoke on the other side of the aisle who is in the chair right now who said that it was all due to deregulation, although I always raise the question whether or not they could cite those specific actions by Congress of deregulation other than the issue of Gramm-Leach-Bliley with regard to deregulation. And we have heard other areas as far as excesses both by government and Wall Street.

But through all those debates, I have yet to recall anyone who could provide any factual evidence, any factual proof, other than just their opinion, that the underlying cause was because of excessive pay by various corporations in this country. No one, certainly, brought up the idea that the problems that brought us here were due to excessive pay outside of the financial sector. So then we have to look at the underlying legislation and answer the question, what is it we are trying to get to here?

In the major portion of the legislation, which goes to allowing shareholders' rights to vote with regard to executive compensation outside of the financial sector, no evidence whatsoever that that brought us to the situation. So we ask why is that even in the underlying bill?

Now, we do try to attempt to reform it, inasmuch as that is all we can do at this point, by putting on a 3-year extension as opposed to a 1-year period of time. We also tried to reform their idea to say that States that have already looked into these issues should have the prerogative to continue with their legislation, that they are more knowledgeable, they have been more engaged, they follow the trends more in their States in their corporations in this area.

So we tried to reform and improve the legislation in that area as well. We also tried to reform it in a last way to say that, for those corporations that say that we have looked at this situation, our shareholders have digested the information and realize it would not be to the benefit of the corporation or the shareholders themselves, and over two-thirds of those shareholders say that they do not want to engage in setting pay but rather would allow it to return to where it has always historically been in this country, and that is by management and by the directors, we put that in the legislation as well.

But, still, the underlying bill takes all those powers away from the shareholders, from the management, from the directors, and it does so without any evidence that they were at all a cause of the problem.

Now, section 4 does, arguably, go to financial institutions, and it goes to those institutions that, arguably, could be, some would say, a cause of our current situation. But we already had regulation in place for most of those financial institutions. We already had regulators who were supposed to be doing their job. We had regulators over at SEC with regard to the Madoff situation. And, unfortunately, we know all too well they failed in that job. Despite the fact that there was testimony that evidence was presented to them, handed to them, documenting why that Madoff situation was out there and why the SEC should be involved, the regulators missed it.

We saw it as well with regard to regulators missing it over at AIG as well. Those regulators had authority to regulate those institutions as well, but did they do so? No. They missed it completely with regard to the whole AIG situation.

Now, the other side of the aisle seems to say that that was then and this is now, that the same regulators who missed Madoff, the same regulators who missed AIG, the same regulators who missed executive compensation and other problems in the past, now, all of a sudden, we are going to expand it even further and say we are going to give those regulators even broader authority for financial institutions, however they may be defined in the future, because this bill realizes that it may be expanded further. They now entrust those regulators.

We would conclude that we should trust the shareholders, the American people, more than we should trust the bureaucrats.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself 5 minutes.

First of all, let me emphasize when the gentleman from New Jersey says ''trust the shareholders,'' that's a conversion. We are born-again shareholder advocates, because in 2006 when the Republicans controlled this institution, they would not even on the Financial Services Committee allow it to come up. We had a petition under the rules for a hearing. Then we asked for a markup and they refused it.

Then in 2007 the gentleman from Alabama, the gentleman from New Jersey, and the others, they all opposed say-on-pay. The gentleman from Alabama told us in 2007 that the free enterprise system was taking care of pay excess. He said that in March of 2007. All of the problems that we've had with pay in the interim apparently were figments of our imagination. The gentleman from Alabama had such confidence in the free enterprise system 2½ years ago, he told us they weren't going to happen. And say-on-pay now, oh, it's not a big deal. It was a big enough deal for them to oppose it.

By the way, let me say to the gentleman from New Jersey, here's the problem: No, it's not so much conscious acts of deregulation as nonregulation. What happened was new things grew up in the economy, particularly in the area of subprime mortgage and the way of packaging them and sending them around. And some of us in the minority wanted to change it. There were party differences.

In 2004 my friend from North Carolina (Mr. MILLER) who was here earlier, he spoke with people at the Center For Responsible Lending in North Carolina who told us in 2004 trouble was coming. By the way, trouble was coming because of an excessive encouragement of low-income people to buy homes, not from the CRA and not from liberal Democrats, but from the Bush administration. The gentleman from Texas (Mr. HENSARLING) inserted an amendment which we adopted. In 2002 the Bush administration sped this up. In 2004, over my objection among others, the Bush Administration directed Fannie Mae and Freddie Mac to substantially increase the number of subprime mortgages they were buying and for people below income. That's in the amendment that Mr. HENSARLING offered that we adopted.

And some of us saw the problem at that point. I hadn't seen a problem with Fannie Mae and Freddie Mac before, but I did in 2004 become worried. I joined the gentleman Mr. Oxley in trying to pass a bill, although I had a housing problem on the floor. The gentleman from Alabama voted with Mr. Oxley and many others did. Other Republicans thought Mr. Oxley was too soft, and we then got into an intra-Republican dispute on Fannie Mae and Freddie Mac where the House passed the bill, the House under the Republicans, supported by the overwhelming majority of Republicans, every amendment offering to toughen it up rejected by an overwhelming majority of Republicans.

And the Republican Senate had a difference. Ironically, the Democrats in the Senate agreed with Mr. Oxley. The Republicans in the Senate agreed with Mr. Bush. No bill.

We also tried, as I said, to do something about subprime lending. The gentleman from North Carolina pushed for legislation. The gentleman from Alabama, to his credit, was somewhat interested in working with us on it. But the Republicans were overruled by the then-majority leader, Mr. DeLay, who used the rhetoric we're hearing today: keep the bureaucrats out of it and let the free enterprise system do it. That was the prevailing philosophy of the Republicans who ruled this House in 2004 and 2005.

So when some of us, including the gentleman from Alabama (Mr. BACHUS), tried to work on legislation to restrict subprime lending, Mr. BACHUS was even chairman of the subcommittee, and he was overruled. The chairman of the committee, Mr. Oxley, was told, No, we don't do that. We're Republicans. We believe in free enterprise.

So it was a conscious decision not to do anything about——

Mr. LEWIS of California. Will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. LEWIS of California. I wish the gentleman would start over. I'm finding it difficult to understand your very rapid speech. Will you slow down a little bit?

Mr. FRANK of Massachusetts. No. I tell you, to the gentleman from California, he's going to have to speed up. I'm not going to slow down. But if he waits a couple of days, there's a very competent transcriber here. He'll be able to read it, and maybe we can even get it put into large type for the gentleman from California.

And now, the gentleman's having tried to interrupt me because that's what people do when they don't like what you're saying, I will return to the tale of how the Republicans told us not to do subprime lending. And we had legislation working. If we had been able in 2005 to get that legislation done, we could have retarded the depths of the crisis. So, yes, there were regulators who didn't do their job, but there were conscious decisions not to regulate.

There was a bill passed, by the way, in 1994 by a Democratic Congress, replaced in 1995 by a Republican Congress, which gave the Federal Reserve the authority to regulate mortgages of the kind that caused trouble. Alan Greenspan, supported by the Republicans in Congress, refused to use that authority. It was when he continued to refuse that some of us tried to do something. So, yes, that's where we got this, because a Republican commitment to never doing anything of the sort that they are talking about now that let subprime mortgages flourish.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 697, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute printed in House Report 111–237 offered by the gentleman from New Jersey (Mr. GARRETT).

The question is on the amendment offered by the gentleman from New Jersey (Mr. GARRETT).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. GARRETT of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to House Resolution 697, further proceedings on this question will be postponed.

Pursuant to clause 1(c) of rule XIX, further proceedings on the bill will be postponed.

□ 1200

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FRANK of Massachusetts. Is there some way that I can convey to the membership that this incredible intrusion on their time is in no way the responsibility of the Financial Services Committee, that we are ready to go to a vote and we are as much the victim as anybody else of this—whatever it is?

The SPEAKER pro tempore. The gentleman may seek time to address the body.

Mr. FRANK of Massachusetts. Well, I don't want to inflict further excess on the body.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 2009

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that the Speaker be authorized on this legislative day to entertain a motion to suspend the rules relating to H.R. 3435.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. OBEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3435) making supplemental appropriations for fiscal year 2009 for the Consumer Assistance to Recycle and Save Program.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2009, and for other purposes, namely:

DEPARTMENT OF TRANSPORTATION

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

CONSUMER ASSISTANCE TO RECYCLE AND SAVE PROGRAM

(TRANSFER OF FUNDS)

For an additional amount for ''Consumer Assistance to Recycle and Save Program'' to carry out the Consumer Assistance to Recycle and Save Program established by the Consumer Assistance to Recycle and Save